



National Aeronautics and  
Space Administration  
Washington, DC 20546

# Procurement Notice

**PN 04-31**  
**February 1, 2008**

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## **SMALL BUSINESS UTILIZATION SUBFACTOR**

**BACKGROUND:** The NASA FAR Supplement (NFS) 1815.304(c)(4)(A) is being modified to require that Small Business Utilization (SBU), which includes Small Business subcontracting and Small Disadvantaged Business (SDB) participation, be evaluated as a single subfactor under the Mission Suitability factor. NFS guidance further requires that the small business utilization subfactor shall provide for a separate and distinct evaluation of Small Business subcontracting from SDB participation. Previously, the guidance set forth at NFS 1815.304(c)(4)(A) had required only that the extent of participation of small disadvantaged business (SDB) concerns be evaluated as a separate subfactor under the Mission Suitability factor. The evaluation of small business subcontracting (other than SDB participation) has therefore generally been part of the evaluation of the management subfactor under Mission Suitability. This change will ensure proper emphasis on all aspects of small business utilization through evaluation as a separate subfactor, while also ensuring compliance with the requirements of FAR 19.1202 for a separate evaluation of SDB participation.

**ACQUISITIONS AFFECTED BY CHANGES:** The changes to NFS 1815.304(c)(4)(A) are applicable to acquisitions identified in 1815.300-70. However, for such acquisitions where evaluation factors and subfactors have been established prior to the issuance of this PN, these changes are not required.

**ACTION REQUIRED BY CONTRACTING OFFICERS:** For competitive negotiated acquisitions as identified in 1815.300-70, comply with revised guidance set forth at 1815.304(c)(4)(A), except in such situations where evaluation factors and subfactors have been established prior to the issuance of this PN.

**CLAUSE CHANGES:** None.

**PARTS AFFECTED:** NFS 1815.

**REPLACEMENT PAGES:** You may use the enclosed pages to replace pages 15:7, 15:8, and 15:8.1 (added) of the NFS.

***TYPE OF RULE AND PUBLICATION DATE:*** These changes do not have a significant effect beyond the internal operating procedures of NASA and do not have a significant cost or administrative impact on contractors or offerors, and therefore do not require codification in the Code of Federal Regulations (CFR) or publication for public comment.

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Enclosures

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### **1815.300-70 Applicability of subpart.**

(a)(1) Except as indicated in paragraph (b) of this section, NASA competitive negotiated acquisitions shall be conducted as follows:

(i) Acquisitions of \$50 million or more -- in accordance with FAR 15.3 and this subpart.

(ii) Other acquisitions -- in accordance with FAR 15.3 and this subpart except section 1815.370 and use of a mission suitability factor and numerical scoring is optional.

(2) Estimated dollar values of acquisitions shall include the values of multiple awards, options, and later phases of the same project.

(b) FAR 15.3 and this subpart are not applicable to acquisitions conducted under the following procedures:

(1) Announcements of Opportunity (see Part 1872).

(2) NASA Research Announcements (see 1835.016-71).

(3) The Small Business Innovative Research (SBIR) program and the Small Business Technology Transfer (STTR) pilot program under the authority of the Small Business Act (15 U.S.C. 638).

(4) Architect and Engineering (A&E) services (see FAR 36.6 and 1836.6).

### **1815.303 Responsibilities.**

(a) The SSA shall be established at the lowest reasonable level for each acquisition. Notwithstanding the FAR designation of the contracting officer as SSA, the SSA for center acquisitions shall be established in accordance with center procedures. For acquisitions designated as Headquarters selections, the SSA will be identified as part of the Master Buy Plan process (see 1807.71).

(b)(i) The source selection authority (SSA) is the Agency official responsible for proper and efficient conduct of the source selection process and for making the final source selection decision. The SSA has the following responsibilities in addition to those listed in the FAR:

(A) Approve the source selection approach, rating method, evaluation factors, subfactors, the weight of the evaluation factors and subfactors when used, and any special standards of responsibility (see FAR 9.104-2) before release of the RFP, or delegate this authority to appropriate management personnel;

(B) Appoint the source selection team. However, when the Administrator will serve as the SSA, the Official-in-Charge of the cognizant Headquarters Program Office will appoint the team; and

(C) Provide the source selection team with appropriate guidance and special instructions to conduct the evaluation and selection procedures.

(b)(ii) See 1803.104-70 for restrictions on participating in evaluation or selection of proposals.

(b)(2) Approval authorities for Acquisition Plans and Procurement Strategy Meetings are in accordance with 1807.103.

### **1815.304 Evaluation factors and significant subfactors.**

(c)(4)(A) Small Business Utilization shall be evaluated as a subfactor under the Mission Suitability factor. The Small Business Utilization subfactor shall provide for a separate and distinct evaluation of Small Business plans and SDB participation. If a Mission Suitability factor is not used, Small Business Utilization, including a separate and distinct evaluation of SDB concerns, shall be evaluated as a separate factor or subfactor, as appropriate.

(B) SDB concerns that choose the FAR 19.11 price evaluation adjustment shall receive the lowest possible score/rating under the FAR 15.304(c)(4) evaluation.

### **1815.304-70 NASA evaluation factors.**

(a) Typically, NASA establishes three evaluation factors: Mission Suitability, Cost/Price, and Past Performance. Evaluation factors may be further defined by subfactors. Evaluation subfactors should be structured to identify significant discriminators, or "key swingers" - the essential information required to support a source selection decision. Too many subfactors undermine effective proposal evaluation. All evaluation subfactors should be clearly defined to avoid overlap and redundancy.

(b) Mission Suitability factor.

(1) This factor indicates the merit or excellence of the work to be performed or product to be delivered. It includes, as appropriate, both technical and management subfactors. Mission Suitability shall be numerically weighted and scored on a 1000-point scale. (See 1815.300-70(a)(1)(ii).)

(2) The Mission Suitability factor may identify evaluation subfactors to further define the content of the factor. Each Mission Suitability subfactor shall be weighted and scored. The adjectival rating percentages in 1815.305(a)(3)(A) shall be applied to the subfactor weight to determine the point score. The number of Mission Suitability subfactors is limited to five. The Mission Suitability evaluation subfactors and their weights shall be identified in the RFP.

(3) For cost reimbursement acquisitions, the Mission Suitability evaluation shall also include the results of any cost realism analysis. The RFP shall notify offerors that the realism of proposed costs may significantly affect their Mission Suitability scores.

(4) If the solicitation requires the submission of a Safety and Health Plan (see 1823.7001(c) and NPR 8715.3, NASA Safety Manual, Appendix H), safety and health must be a consideration in the evaluation. The Mission Suitability factor, if used, shall include a subfactor for safety and health.

(c) Cost/Price factor. This factor evaluates the reasonableness and, if necessary, the cost realism, of proposed costs/prices. The Cost/Price factor is not numerically weighted or scored.

(d) Past Performance factor.

(1) This factor indicates the relevant quantitative and qualitative aspects of each offeror's record of performing services or delivering products similar in size, content, and complexity to the requirements of the instant acquisition.

(2) The RFP shall instruct offerors to submit data (including data from relevant Federal, State, and local governments and private contracts) that can be used to evaluate their past performance. Typically, the RFP will require:

(i) A list of contracts similar in size, content, and complexity to the instant acquisition, showing each contract number, the type of contract, a brief description of the work, and a point of contact from the organization placing the contract. Normally, the requested contracts are limited to those received in the last three years. However, in acquisitions that require longer periods to demonstrate performance quality, such as hardware development, the time period should be tailored accordingly.

(ii) The identification and explanation of any cost overruns or underruns, completion delays, performance problems, and terminations.

(3) The contracting officer may start collecting past performance data before proposal receipt. One method for early evaluation of past performance is to request offerors to submit their past performance information in advance of the proposal due date. The RFP could also include a past performance questionnaire for offerors to send their previous customers with instructions to return the completed questionnaire to the Government. Failure of the offeror to